

TITLE	The 21st Century Council – Update
FOR CONSIDERATION BY	The Executive on 28 September 2017
WARD	None Specific
LEAD OFFICER	Heather Thwaites C21 Programme Director
LEAD MEMBER	Oliver Whittle, Executive Member for Finance

OUTCOME / BENEFITS TO THE COMMUNITY

The transformation of the way the Council operates will achieve the following benefits:

- Improved availability of, and access to, Council services through digital channels
- Swifter resolution of issues and queries
- Ability for residents to track the progress of their issue as it is resolved by the Council
- Greater focus on problem-solving and customer responsiveness
- A leaner, more efficient Council costing significantly less to run

RECOMMENDATION

The Executive is recommended to note the progress in implementing the 21st Century Council programme.

SUMMARY OF REPORT

The purpose of this report is to inform the Executive of progress over the last quarter in the implementation of the 21st Century Council programme. The Executive receives quarterly reports during the implementation period reporting on progress of implementation and revenue return on investment.

The key highlights are set out in the report – Phase 1 has been successfully implemented and has gone live. Savings and benefits from Phase 1 are on track for delivery. Phase 2 is now underway.

Background

The C21 Change Programme forms an essential element of the savings contained within the medium term Financial Plan. The programme involves the implementation of a new model of working and organisation for the Council. It is underpinned by an extensive IT programme and will extend to all parts of the organisation over the implementation period. When complete, the programme will contribute ongoing annual savings in staff costs of c.£4.5m.

Implementation commenced following Executive approval of the business case in September 2016. The implementation is phased into two parts, to ensure transition to the new model of working is safe and effective.

Phase 1 ran from October 2016 to Spring 2017 and included:

- Establishment of the reconfigured senior leadership team (Directors and the management tiers below)
- Establishment of the reconfigured Strategy and Commissioning and Support Services
- Implementation of the key IT improvements and integration

Phase 2, which has, now commenced, will largely complete the programme by moving, Children's Services, Health and Wellbeing and Environment, into the new operating model.

Member Engagement with the Programme

Progress continues to be reported to the dedicated 21st Century Council Member-Officer Working Group (which monitors and supports implementation) and its IT Reference sub group. Member briefing sessions have also been held in June and July, and a presentation was made to the Borough Parish Forum 3rd July.

The implementation of the programme was also the subject of review at the O&S Committee on 11th July. This session was also attended by representatives from Unison.

The programme is now moving into the outward facing service areas and it will be through these forthcoming months that we will be designing and implementing changes to the customer portals. Member engagement will be crucial to the success of this stage. The Member Officer Group has started work on this to understand what Members are looking for. Training and information sessions are also being held to ensure that Members can capitalise on the potential offered by the new technology.

Highlight Report

Further good progress has this made this period and Phase 1 has been successfully landed.

Phase 1 went live in June. The newly reconfigured service areas in Corporate Services are up and running and a number of significant IT implementations have successfully gone live.

As with any major change programme that is intended to secure savings in staffing costs there has been an impact on those within the phase. This was in large part central to the discussion at Overview and Scrutiny. However, it is important to note that the large majority of staff have successfully secured new roles within the reconfigured teams and our regular temperature check on staff morale continues to demonstrate a positive picture.

By way of illustration the following figures outline the outcomes for the staff in phase 1:

- 247 members of staff were affected by the phase 1 changes
- Of these 76% were either assimilated into their new roles or if they had to apply for a new role achieved their first choice of role.
- Of the 100 people who were placed at risk of redundancy because their role either didn't exist in the new structure or had radically altered, 80 have secured new positions.
- Of these 31 have successfully secured promotions.
- 20 staff have been made redundant representing 8% of the original cohort.

Judicious use of filling posts that had become vacant with agency staff has meant that the full staff saving has been achieved whilst limiting the redundancy impact on existing staff. This approach is also being followed within the phase 2 services and it is therefore hoped that the ultimate redundancy impact can be minimised for staff.

Staff morale

Remains good given that we are in a change process that will affect all our employees. Staff are regularly surveyed to take a temperature check as to how they are feeling and how well informed and supported they feel.

The latest survey carried out in July found more respondents now:

- Know what the future organisation will look and feel like (up from 43% in November to 56% in January to 64% in July)
- Know where to get more information about the programme (up from 83% in November to 94% in both January and July);
- Know when they are likely to be affected (up from 54% in November to 77% and 75% in January and July); and
- Know what support is available to them (up from 49% to 80% and 78% in January and July).

Around three quarters of those who responded see a positive future for themselves in the organisation. This is actually higher among staff who were in Phase 1 (87% for Phase 1 vs 71% for those in Phase 2). Indeed, across every single measure staff who had gone through the process and were part of Phase 1 were more positive about the programme.

The six key programme risks identified in the business case continue to be managed :- loss of key people and organisational knowledge; less capacity available post implementation; reduced performance in key service areas; non realisation of savings; increased programme costs and slippage in IT implementation. There are no current issues or concerns to report.

The next period will see the design and commencement of the HR processes for the remaining service areas – the Environment and People Directorates. This activity has now been realigned to form two tranches. This is for two reasons:

- Lessons learnt from phase 1 have led to a reconsideration of the capacity of the organisation to deal with an HR process involving potentially circa 850 people at one time.
- Concern has been expressed about the potentially destabilising impact on service delivery of such a large number of staff being involved at the same time.

The first tranche will encompass the service areas that currently comprise the Environment Directorate together with parts of the former Children's Directorate plus the elements of the previous Support services that deal with customers.

This will have the effect of lengthening the programme by approximately a further three months. Implementation costs of this this can be contained within the existing programme budget but this is expected to result in the final realisation of the full savings not being achieved until the first quarter of 2019/20 (£500,000). The programme is however still on track to break even in year 2019/20. The short delay in realisation of the full savings will be contained within the MTFP.

Capital and revenue expenditure for phase 1 was within forecast. Financial benefit (from staff savings delivered through the design of more efficient processes and integrated IT systems) is predicted to be £2.1m full year effect for phase 1. This is on track to deliver what was envisaged in the business case and savings.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	£'000	2016/17	2017/18	2018/19	2019/20	Total
Business Case	Revenue	710	2,180	1,500	0	4,390
	Capital	2,752	1,577	0	0	4,329
	Saving	0	(2,250)	(2,250)	0	(4,500)
Actual/Forecast	Revenue	600	1,430	2,360	0	4,390
	Capital	900	3,329	100	0	4,329
	Saving	0	(2,250)	(1,750)	(500)	(4,500)
Variance	Revenue	110	750	(860)	0	0
	Capital	1,852	(1,752)	(100)	0	0
	Saving	0	0	(500)	500	0

Other financial information relevant to the Recommendation/Decision

Expenditure over all for the programme is within budget.

However capital spend has proved hard to predict accurately at the start of the project and an underspend of £1.1m has occurred in 16/17. This is required to progress phase 2 (transition, contingency, increased implementation resource) and has been requested as a carry forward.

Financial benefits for phase 1 were set out in the business plan to be £2.250m of which £2.094 are currently on track for delivery through staffing savings.

The lengthening of the programme by approximately a further three months will result in the expected final realisation of the full savings not being achieved until the first quarter of 2019/20 (£500,000). This forecast short delay in realisation of the full savings will be

contained within the MTFP. Implementation costs of slightly extended programme can be contained within the existing programme budget.
The total programme will deliver a cost reduction of £4.5million savings pa. After the required investment this predicts a break even position in 2019/20 and an ongoing reduction each year after.

Cross-Council Implications

This change programme impacts on the whole Council.

List of Background Papers

21st Century Council Business Case – see Executive papers 29 September 2016

Contact Heather Thwaites	Service C21st Programme
Telephone No	Email heather.thwaites@wokingham.gov.uk
Date 19 September 2017	Version No. 1